

United States Senate

WASHINGTON, DC 20510

June 2, 2011

The Honorable Patty Murray
Chairman
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20510

Dear Chairman Murray and Ranking Member Collins:

We write to express our strong support for the restoration of funding for the Department of Housing and Urban Development (HUD) Housing Counseling Assistance Program. We respectfully request that the subcommittee include \$87.5 million in funding for this critical program in Fiscal Year 2012.

The HUD Housing Counseling Assistance Program has been the primary source of housing information and resources for prospective and current homeowners, renters, and seniors. It enables housing counseling organizations to provide pre-purchase and non-delinquency post-purchase mortgage counseling, foreclosure prevention counseling, rental counseling, homelessness prevention counseling, and fair housing education. In addition, it is the only program that funds reverse mortgage counseling, which is mandatory for senior homeowners who seek a Home Equity Conversion Mortgage (HECM).

Housing counseling is a proven tool for improving access to housing. Since 2009, more than 420,000 families have received pre-purchase counseling through the Housing Counseling Assistance Program, which has made homeownership a possibility for over 185,000 households. Perhaps more importantly, it has protected thousands of others from taking on mortgages for which they were ill-equipped or unprepared. Over that same period, the program has helped nearly 834,000 avoid foreclosure and assisted over 590,000 renters and homeless Americans in accessing and maintaining access to shelter.

In Fiscal Year 2010, the Housing Counseling Assistance Program received \$87.5 million. The elimination of funding for the program in Fiscal Year 2011 has jeopardized HUD housing counseling beyond this fiscal year because most of the program's counseling functions cannot be assumed by other programs such as the National Foreclosure Mitigation Counseling Program. The President's budget for Fiscal Year 2012 requests \$88 million for the HUD Housing Counseling Assistance Program. We are requesting that this essential program be funded at \$87.5 million in Fiscal Year 2012, equal to the Fiscal Year 2010 funding level.

It is critical that funding for the HUD Housing Counseling Assistance Program be restored in Fiscal Year 2012. We thank you for your attention and consideration.

Sincerely,

Daniel K. Spaka

Olympic Smoot

John J. Kennedy

Kirsten E. Gillibrand

Ron Wyden

Frank R. Lautenberg

Jeffrey A. Merkley

Max Baucus

Robert Menendez

Jay Byrnes

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